

A letter from Jeff

ALL BLACKJEWEL EMPLOYEES:

I REALIZE WE HAVE 1800 HURTING PEOPLE OUT THERE RIGHT NOW AND NO ONE IS HURTING MORE THAN ME OVER WHAT HAS OCCURRED THESE PAST 8 DAYS. **IT IS TIME TO SET A LITTLE OF THE RECORD STRAIGHT AS IT IS CLEAR EACH OF YOU HAVE NO IDEA WHAT HAS TRANSPIRED AND IS LEADING TO THREATS BEING MADE AGAINST ME, MY FAMILY AND ANYONE AND ANYTHING ASSOCIATED WITH ME AS A RESULT OF MISINFORMATION.** SO HERE ARE THE FACTS AND THEY ARE CLEARLY DOCUMENTED:

- CLEARWATER INVESTMENTS, OWNED BY A HOOPS DYNASTY TRUST WITH MANY INVESTMENTS HAS LOANED BLACKJEWEL MORE THAN \$11M SINCE JANUARY OF 2019, MOST OF IT REQUIRED DUE TO THE FLOODING AND MISSED SHIPMENTS IN THE WEST
- THERE HAS NOT BEEN ONE CENT TAKEN OUT OF THE MINING COMPANY, THE EXACT OPPOSITE I HAVE LOANED MORE MONEY TO TRY TO GET THIS COMPANY THROUGH THESE DIFFICULT TIMES.

HERE IS WHAT HAS HAPPENED OVER THE PAST WEEK:

- MONDAY JUNE 24TH

o RIVERSTONE AND I HAD A DEAL FOR ME TO LOAN THE COMPANY \$20M UNDER VERY FAVORABLE TERMS

- WEDNESDAY JUNE 26

o RIVERSTONE SENT A NOTICE TO ME THAT RATHER THAN EXTENDING THEIR \$28M LOAN THROUGH NEXT JANUARY AS PREVIOUSLY PROMISED IT WAS NOW DUE AND PAYABLE IN FULL ON JULY 17TH

o RIVERSTONE ALSO NOTIFIED ME THAT THAT \$11M I HAD LOANED THE COMPANY WAS NOT DONE PROPERLY AND THAT I COULD PERSONALLY OWE THEM AS MUCH AS \$34M IF I CONTINUED TO LOAN MONEY TO THE BUSINESS.

- THURSDAY JUNE 27TH

o RIVERSTONE SHOWED UP AT THE OFFICE WITH FTI OUT OF DENVER COLORADO REALIZING THEY HAD FORCED US INTO BANKRUPTCY WITH THESE MOVES AND SO OUR FOCUS TURNED IMMEDIATELY TO HOW DO WE SAVE THIS COMPANY

o ENGAGED ATTORNEYS SQUIRE, PATTON AND BOGGS

o BASED ON THEIR RECOMMENDATIONS WE HAD NO CHOICE BUT TO BEGIN PREPARING FOR CHAPTER 11 BANKRUPTCY

- FRIDAY

o FOCUS WAS ON COVERING PAYROLL FOR THAT DAY AND PREPARING DOCUMENTS TO GO TO COURT MONDAY MORNING AFTER FILING AT MIDNIGHT SUNDAY

§ PAYROLL

· WE INITIATED PAYROLL FOR THE WEST WHICH WAS ELECTRONIC

· LEARNED AT 4:31PM WHEN JOFF CALLED ME THE FUNDS WERE NOT HITTING EMPLOYEE ACCOUNTS, IMMEDIATELY GOT UNITED BANK ON THE PHONE TO FIND OUT WHY

· AFTER NEARLY 30 MINUTES OF WAITING, DAVE MILLS, THE VP CAME ON THE PHONE TO SAY RIVERSTONES ATTORNEY FROM BAILEY & GLASSER CALLED THEM AT 3PM AND TOLD THEM I HAD RESIGNED, THE COMPANY WAS FILING BANKRUPTCY AND THAT I WAS GOING TO EMPTY OUT MY ACCOUNTS AND THEY SHOULD SHUT THEM DOWN, WHICH THEY DID. NOT JUST BLACKJEWEL, BUT ALL OF MY ACCOUNTS TOTALLY UNRELATED TO BLACKJEWEL

· MY FOCUS TURNED IMMEDIATELY TO HOW DO WE GET PEOPLE PAID

o I WORKED ON THIS NON-STOP UNTIL AFTER MIDNIGHT AND FINALLY CAME UP WITH A SOLUTION

§ UNITED BANK REALIZING THEY HAD CREATED HUGE LIABILITIES FOR THEMSELVES AGREED TO BRING PEOPLE IN ON SATURDAY AND WRITE MORE THAN 700 CASHIERS CHECKS TO EMPLOYEES IN WYOMING

§ MY PLANE WAS IN FLORIDA WHERE I WAS SUPPOSED TO BE WITH MY WIFE ON VACATION AND I HAD TO FLY BACK TO CHARLESTON, WV AND THEN TO WYOMING ON SATURDAY TO DELIVER THE CHECKS AT A PERSONAL COST TO

ME OF MORE THAN \$16,000.

#### § EASTERN PAYROLL

- AS PART OF THE CHAPTER 11 FILING WE INCLUDED PETITIIONS THAT WOULD HAVE ALLOWED ME TO PUT \$9MM INTO THE COMPANY ON MONDAY TO COVER THE EASTERN PAYROLL CHECKS

- UNITED BANK HAD A LOAN FOR \$6MM TO BLACKJEWEL WITH NO GUARANTEES OR ASSOCIATION WITH ANY OF THE OTHER BUSINESSES OWNED BY MY FAMILY TRUST, YET UNITED BANK ON ADVICE FROM THEIR COUNSEL JOE BUNN WITH STEPTOE & JOHNSON CHOSE TO BLOCK ACCESS TO ALL OF MY FUNDS ON MONDAY, 10 TIMES THE \$6M THEY WERE OWED AND WE HAD TO TELL THE COURT I DID NOT HAVE THE MONEY TO FUND THE LOAN THAT WOULD HAVE ALLOWED TO COMPANY TO CONTINUE IN BUSINESS

- SATURDAY & SUNDAY

- o WORKED AROUND THE CLOCK UNTIL 4:30AM MONDAY MORNING, WENT HOME SHOWERED, PUT ON A SUIT, RETURNED TO THE OFFICE TO MAKE FINAL PREPARATIONS TO GO TO COURT AS THE CHAPTER 11 HAD BEEN FILED.

- MONDAY JULY 1ST

- o WENT TO COURT WITH THE EXPECTATION IT WOULD BE A FORMALITY TO GET MY LOAN APPROVED AND KEEP EVERYONE WORKING SO WE COULD CONTINUE BUSINESS AS NORMAL

- o LEARNED JUST BEFOPRE GOING TO COURT UNITED BANK HAD BLOCKED ACCESS TO ALL OF MY FUNDS AND I COULD NOT FUND THE LOAN SO IT WAS A VERY SHORT HEARING.

- o SPENT NEXT SEVERAL HOURS WITH UNITED BANK, I REACHED OUT TO A BOARD MEMBER I KNEW AND HE WAS ABLE TO LET SENIOR MANAGEMENT KNOW HOW MUCH DAMAGE THEY WERE CREATING FOR THEMSELVES AS WE HAD NO CHOICE BUT TO IDLE THE MINES AS AT THIS POINT WE DID NOT HAVE FUNDS TO PAY PEOPLE. THIS IS THE MOMENT EVERYONE BECAME IMPACTED AND CHANGES THE ENTIRE COURSE OF THIS RESTRUCTURING.

- o NOW THAT UNITED FREED UP MY FUNDS WE WENT TO WORK ON PREPARING NEW MOTIONS FOR THE COURT AND ONCE AGAIN WORKED THROUGH THE

NIGHT TO MAKE THAT HAPPEN AND FINALLY GOT EVERYTHING TOGETHER

- TUESDAY JULY 2ND

- o FINALLY GOT ALL OF THE NECESSARY DOCUMENTS TOGETHER AROUND 2PM ON TUESDAY, FILED THEM WITH THE COURT AND ASK FOR HEARING

- o WE ARE GIVEN A HEARING AND TOLD TO BE THERE AT 4:30PM THAT DAY

- o WE WENT AND PRESENTED OUR CASE

§ I TESTIFIED FOR OVER 5 HOURS AND PLEADED WITH THE JUDGE, RIVERSTONE'S ATTORNEY, UNITED'S ATTORNEY, THE ATTORNEY FOR THE UNSECURED LENDORS, THE ATTORNEY FOR THE US GOVERNMENT TO ALLOW ME TO MAKE THIS \$9M LOAN AND GET EVERYONE BACK TO WORK.

· I WOULD LIKE TO COMMEND OUR VENDOR PARTNERS AS THEY FORMED AN AD HOC COMMITTEE THAT AFTERNOON AND ASK THE COURT TO APPROVE THIS LOAN EVEN THOUGH IT WOULD GET REPAYED BEFORE THEY GOT PAID. THIS SHOWS THE KIND OF PEOPLE WE ARE DOING BUSINESS WITH THE HOW MUCH THEY CARE ABOUT THIS BUSINESS AND EACH OF YOU.

§ THIS WENT ON UNTIL 3AM WHEN THE JUDGE FINALLY CAME OUT AND RULED AGAINST THE LOAN.

### **§ THE MELTDOWN STARTED**

- WEDNESDAY JULY 3R

- o RIVERSTONE TOLD THE ATTORNEYS THEY WOULD PUT UP A \$5M LOAN ON ONE CONDITION, I RESIGN FROM THE COMPANY.

- o IT ALL MADE SENSE NOW AS I GAVE THEM OUR PLANS FOR THE 2ND HALF OF THE YEAR THAT SHOWED CASH FLOW IMPROVING BY \$100M AS A RESULT OF THE IMPROVED SHIPMENTS IN THE WEST AND OPERATIONAL CHANGES WE WERE MAKING IN THE EAST. BY TAKING THE ACTIONS THEY HAD BEEN TAKING OVER THE PRIOR 6 DAYS THIS EFFECTIVELY MADE THEM OWNERS OF THE COMPANY.

- o I AGREED AS MY ONLY GOAL ALL ALONG WAS TO KEEP PEOPLE WORKING AND THE MINES OPERATING.

**Hopefully each of you will take the time and read to try to understand what has**

**transpired over the past weeks as essentially this has been a hostile takeover that I fought every step of the way as I was trying to do the right thing**, which would have gotten each one of you paid and we would have all continued working. Now as I understand they are not going to pay the people for lost wages and are going to do what vulture capitalist do in these situations.

I accept responsibility for being unable to lead this company through these difficult times and the purpose for me writing this letter and explaining in detail what happened is to ask that you study it, hold me responsible, but leave my family and other business relationships out of this matter. I know in my heart how hard I fought for each of you and this company and to have people threaten me and say I took money out of this company for other projects hurts more than words can express as it has been just the opposite and that can be confirmed in a hundred different ways.

I cannot make up for what has happened over this past week, but **my attention is going to turn to making these people pay for what they have done to us** and it is my intent for 50% of any recovery to be placed in an account to be shared equally by the employees harmed by these actions. I am sick over this and cannot begin to understand why God would allow such a thing to happen, but he promises in Jeremiah, that he has plans for us and plans to prosper us, so please do not lose Faith, God is still in control.....Sincerely.....Jeff